
HOUSE BILL No. 1681

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-9-2.

Synopsis: Lake County innkeeper's tax. Requires the Lake County convention and visitor bureau to establish an alternate revenue fund consisting of all money (other than innkeeper's tax revenue) received by the bureau after June 30, 2005. Provides that the bureau is not required to submit a budget to the county council with respect to either the alternate revenue fund or the existing convention, tourism, and visitor promotion fund. Specifies that all members of the bureau serve for terms of three years. Eliminates a provision authorizing the lieutenant governor's appointee to the bureau to fill vacancies under certain conditions.

Effective: July 1, 2005.

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January 19, 2005, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

HOUSE BILL No. 1681

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-9-2-2 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) The revenue received by the
3 county treasurer under this chapter shall be allocated to the Lake
4 County convention and visitor bureau, Indiana University-Northwest,
5 Purdue University-Calumet, municipal public safety departments,
6 municipal physical and economic development divisions, and the cities
7 and towns in the county as provided in this section. Subsections (b)
8 through (g) do not apply to the distribution of revenue received under
9 section 1 of this chapter from hotels, motels, inns, tourist camps, tourist
10 cabins, and other lodgings or accommodations built or refurbished after
11 June 30, 1993, that are located in the largest city of the county.

12 (b) The Lake County convention and visitor bureau shall establish
13 a convention, tourism, and visitor promotion fund (**referred to in this**
14 **chapter as the "promotion fund"**). The county treasurer shall transfer
15 to the Lake County convention and visitor bureau for deposit in **this the**
16 **promotion** fund thirty-five percent (35%) of the first one million two
17 hundred thousand dollars (\$1,200,000) of revenue received **from the**

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1 **tax imposed** under this chapter in each year. **The promotion fund**
 2 **consists of:**

- 3 (1) **money in the promotion fund on June 30, 2005;**
 4 (2) **revenue deposited in the promotion fund under this**
 5 **subsection after June 30, 2005; and**
 6 (3) **investment income earned on the promotion fund's assets.**

7 Money in ~~this~~ **the promotion** fund may be expended only to promote
 8 and encourage conventions, trade shows, special events, recreation, and
 9 visitors within the county. Money may be paid from the **promotion**
 10 fund by claim in the same manner as municipalities may pay claims
 11 under IC 5-11-10-1.6.

12 (c) This subsection applies to the first one million two hundred
 13 thousand dollars (\$1,200,000) of revenue received **from the tax**
 14 **imposed** under this chapter in each year. During each year, the county
 15 treasurer shall transfer to Indiana University-Northwest forty-four and
 16 thirty-three hundredths percent (44.33%) of the revenue received under
 17 this chapter for that year to be used as follows:

- 18 (1) Seventy-five percent (75%) of the revenue received under this
 19 subsection may be used only for the university's medical
 20 education programs.
 21 (2) Twenty-five percent (25%) of the revenue received under this
 22 subsection may be used only for the university's allied health
 23 education programs.

24 The amount for each year shall be transferred in four (4) approximately
 25 equal quarterly installments.

26 (d) This subsection applies to the first one million two hundred
 27 thousand dollars (\$1,200,000) of revenue received **from the tax**
 28 **imposed** under this chapter in each year. During each year, the county
 29 treasurer shall allocate among the cities and towns throughout the
 30 county nine percent (9%) of the revenue received under this chapter for
 31 that year. The amount of each city's or town's allocation is as follows:

- 32 (1) Ten percent (10%) of the revenue covered by this subsection
 33 shall be transferred to cities having a population of more than
 34 ninety thousand (90,000) but less than one hundred five thousand
 35 (105,000).
 36 (2) Ten percent (10%) of the revenue covered by this subsection
 37 shall be transferred to cities having a population of more than
 38 seventy-five thousand (75,000) but less than ninety thousand
 39 (90,000).
 40 (3) Ten percent (10%) of the revenue covered by this subsection
 41 shall be transferred to cities having a population of more than
 42 thirty-two thousand (32,000) but less than thirty-two thousand

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eight hundred (32,800).

(4) Five percent (5%) of the revenue covered by this subsection shall be transferred to each town and each city not receiving a transfer under subdivisions (1) through (3).

The money transferred under this subsection may be used only for economic development projects. The county treasurer shall make the transfers on or before December 1 of each year.

(e) This subsection applies to the first one million two hundred thousand dollars (\$1,200,000) of revenue received **from the tax imposed** under this chapter in each year. During each year, the county treasurer shall transfer to Purdue University-Calumet nine percent (9%) of the revenue received under this chapter for that year. The money received by Purdue University-Calumet may be used by the university only for nursing education programs.

(f) This subsection applies to the first one million two hundred thousand dollars (\$1,200,000) of revenue received **from the tax imposed** under this chapter in each year. During each year, the county treasurer shall transfer two and sixty-seven hundredths percent (2.67%) of the revenue received under this chapter for that year to the following cities:

(1) Fifty percent (50%) of the revenue covered by this subsection shall be transferred to cities having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000).

(2) Fifty percent (50%) of the revenue covered by this subsection shall be transferred to cities having a population of more than seventy-five thousand (75,000) but less than ninety thousand (90,000).

Money transferred under this subsection may be used only for convention facilities located within the city. In addition, the money may be used only for facility marketing, sales, and public relations programs. Money transferred under this subsection may not be used for salaries, facility operating costs, or capital expenditures related to the convention facilities. The county treasurer shall make the transfers on or before December 1 of each year.

(g) This subsection applies to the revenue received **from the tax imposed** under this chapter in each year that exceeds one million two hundred thousand dollars (\$1,200,000). During each year, the county treasurer shall distribute money in the **promotion** fund as follows:

(1) Eighty-five percent (85%) of the revenue covered by this subsection shall be deposited in the convention, tourism, and visitor promotion fund. The money deposited in the fund under

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1 this subdivision may be used only for the purposes for which
2 other money in the fund may be used.

3 (2) Five percent (5%) of the revenue covered by this subsection
4 shall be transferred to Purdue University-Calumet. The money
5 received by Purdue University-Calumet under this subdivision
6 may be used by the university only for nursing education
7 programs.

8 (3) Five percent (5%) of the revenue covered by this subsection
9 shall be transferred to Indiana University-Northwest. The money
10 received by Indiana University-Northwest under this subdivision
11 may be used only for the university's medical education programs.

12 (4) Five percent (5%) of the revenue covered by this subsection
13 shall be transferred to Indiana University-Northwest. The money
14 received by Indiana University-Northwest under this subdivision
15 may be used only for the university's allied health education
16 programs.

17 (h) The county treasurer may estimate the amount that will be
18 received under this chapter for the year to determine the amount to be
19 transferred under this section.

20 (i) This subsection applies only to the distribution of revenue
21 received **from the tax imposed** under section 1 of this chapter from
22 hotels, motels, inns, tourist camps, tourist cabins, and other lodgings or
23 accommodations built or refurbished after June 30, 1993, that are
24 located in the largest city of the county. During each year, the county
25 treasurer shall transfer:

26 (1) seventy-five percent (75%) of the revenues under this
27 subsection to the department of public safety; and

28 (2) twenty-five percent (25%) of the revenues under this
29 subsection to the division of physical and economic development;
30 of the largest city of the county.

31 (j) The Lake County convention and visitor bureau shall assist the
32 county treasurer, as needed, with the calculation of the amounts that
33 must be deposited and transferred under this section.

34 SECTION 2. IC 6-9-2-3 IS AMENDED TO READ AS FOLLOWS
35 [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) For purposes of this section,
36 the size of a political subdivision is based on the population determined
37 in the last federal decennial census.

38 (b) A convention and visitor bureau having fifteen (15) members is
39 created to promote the development and growth of the convention,
40 tourism, and visitor industry in the county.

41 (c) The executives (as defined by IC 36-1-2-5) of the eight (8)
42 largest municipalities (as defined by IC 36-1-2-11) in the county shall

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each appoint one (1) member to the bureau. The legislative body (as defined in IC 36-1-2-9) of the two (2) largest municipalities in the county shall each appoint one (1) member to the bureau.

(d) The county council shall appoint two (2) members to the bureau. One (1) of the appointees must be a resident of the largest township in the county, and one (1) of the appointees must be a resident of the second largest township in the county.

(e) The county commissioners shall appoint two (2) members to the bureau. Each appointee must be a resident of the fifth, sixth, seventh, eighth, ninth, tenth, or eleventh largest township in the county. These appointees must be residents of different townships.

(f) The lieutenant governor shall appoint one (1) member to the bureau.

(g) One (1) of the appointees under subsection (d) and one (1) of the appointees under subsection (e) must be members of the political party that received the highest number of votes in the county in the last preceding election for the office of secretary of state. One (1) of the appointees under subsection (d) and one (1) of the appointees under subsection (e) must be members of the political party that received the second highest number of votes in the county in the election for that office. No appointee under this section may hold an elected or appointed political office while he serves on the bureau.

(h) In making appointments under this section, the appointing authority shall give sole consideration to individuals who shall be knowledgeable and interested in at least one (1) of the following businesses in the county:

- (1) Hotel.
- (2) Motel.
- (3) Restaurant.
- (4) Travel.
- (5) Transportation.
- (6) Convention.
- (7) Trade show.

(i) All terms of office of bureau members begin on July 1. ~~Initial appointments of the county council are for one (1) year terms; initial appointments of the county commissioners are for two (2) year terms; initial appointments of the municipal executives and legislative bodies are for three (3) year terms; with all subsequent appointments for three (3) year terms. All appointments of the lieutenant governor are for three (3) year terms. Members of the bureau serve terms of three (3) years.~~ A member whose term expires may be reappointed to serve another term. If a vacancy occurs, the appointing authority shall

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1 appoint a qualified person to serve for the remainder of the term. ~~If an~~
 2 ~~appointment is not made before July 16 or a vacancy is not filled within~~
 3 ~~thirty (30) days, the member appointed by the lieutenant governor~~
 4 ~~under subsection (f) shall appoint a qualified person.~~

5 (j) A member of the bureau may be removed for cause by his
 6 appointing authority.

7 (k) Members of the bureau may not receive a salary. However,
 8 bureau members are entitled to reimbursement for necessary expenses
 9 incurred in the performance of their respective duties.

10 (l) Each bureau member, before entering his duties, shall take an
 11 oath of office in the usual form, to be endorsed upon his certificate of
 12 appointment and promptly filed with the clerk of the circuit court of the
 13 county.

14 (m) The bureau shall meet after July 1 each year for the purpose of
 15 organization. The bureau shall elect a chairman from its members. The
 16 bureau shall also elect from its members a vice chairman, a secretary,
 17 and a treasurer. The members serving in those offices shall perform the
 18 duties pertaining to the offices. The first officers chosen shall serve
 19 until their successors are elected and qualified. A majority of the
 20 bureau constitutes a quorum, and the concurrence of a majority of those
 21 present is necessary to authorize any action.

22 (n) If the county and one (1) or more adjoining counties desire to
 23 establish a joint bureau, the counties shall enter into an agreement
 24 under IC 36-1-7. In the absence of such an agreement, the bureau may
 25 not expend funds to promote activities in any other county.

26 SECTION 3. IC 6-9-2-4 IS AMENDED TO READ AS FOLLOWS
 27 [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) The bureau may:

28 (1) accept and use gifts, grants, and contributions from any public
 29 or private source, under terms and conditions that the bureau
 30 considers necessary and desirable;

31 (2) sue and be sued;

32 (3) enter into contracts and agreements;

33 (4) make rules necessary for the conduct of its business and the
 34 accomplishment of its purposes;

35 (5) receive and approve, alter, or reject requests and proposals for
 36 funding by corporations qualified under subdivision (6);

37 (6) after its approval of a proposal, transfer money from the
 38 **promotion fund established under section 2 of this chapter or**
 39 **from the alternate revenue fund** to any Indiana ~~not-for-profit~~
 40 **nonprofit** corporation to promote and encourage conventions,
 41 trade shows, visitors, or special events in the county;

42 (7) require financial or other reports from any corporation that

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receives funds under this chapter;

(8) enter into leases under IC 36-1-10 for the construction, acquisition, and equipping of a visitor center; and

(9) exercise the power of eminent domain to acquire property to promote and encourage conventions, trade shows, special events, recreation, and visitors within the county.

(b) All expenses of the bureau shall be paid from the **promotion fund**. ~~established under section 2 of this chapter. Before September 1 of each year,~~ the bureau shall ~~annually~~ prepare a budget for **expenditures from the promotion fund during the following year**, taking into consideration the recommendations made by a corporation qualified under subsection (a)(6). ~~and submit it to the county council for its review and approval. After its approval of the budget, the county council shall make an appropriation from the fund in accordance with that budget.~~

(c) All money ~~coming into possession of the bureau in the~~ **promotion fund** shall be deposited, held, secured, invested, and paid in accordance with statutes relating to the handling of public funds. The handling and expenditure of money ~~coming into possession of the bureau in the promotion fund~~ is subject to audit and supervision by the state board of accounts.

SECTION 4. IC 6-9-2-4.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 4.3. (a) The Lake County convention and visitor bureau shall establish a convention, tourism, and visitor promotion alternate revenue fund (referred to in this chapter as the "alternate revenue fund"). The bureau may deposit in the alternate revenue fund all money received by the bureau after June 30, 2005, that is not required to be deposited in the promotion fund under section 2 of this chapter, including appropriations, gifts, grants, membership dues, and contributions from any public or private source.**

(b) The bureau may, without appropriation by the county council, expend money from the alternate revenue fund to promote and encourage conventions, trade shows, visitors, special events, sporting events, and exhibitions in the county. Money may be paid from the alternate revenue fund by claim in the same manner as municipalities may pay claims under IC 5-11-10-1.6.

(c) All money in the alternate revenue fund shall be deposited, held, secured, invested, and paid in accordance with statutes relating to the handling of public funds. The handling and expenditure of money in the alternate revenue fund is subject to

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1 **audit and supervision by the state board of accounts.**

2 **(d) Money derived from the taxes imposed under IC 4-33-12 and**
 3 **IC 4-33-13 may not be transferred to the alternate revenue fund.**

4 SECTION 5. IC 6-9-2-4.5 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.5. The bureau may
 6 enter into an agreement under which amounts deposited in, or to be
 7 deposited in, the ~~convention, tourism, and visitor~~ promotion fund ~~under~~
 8 **section 2 of this chapter or the alternate revenue fund, or both**, are
 9 pledged to payment of obligations, including leases entered into under
 10 IC 36-1-10, issued to finance the construction, acquisition, and
 11 equipping of a visitor center to promote and encourage conventions,
 12 trade shows, special events, recreation, and visitors within the county.

13 SECTION 6. IC 6-9-2-4.9 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.9. With respect to:

15 (1) bonds, leases, or other obligations to which the bureau has
 16 pledged revenues under this chapter; and

17 (2) bonds issued by a lessor that are payable from lease rentals;
 18 the general assembly covenants with the bureau and the purchasers or
 19 owners of the bonds or other obligations described in this section that
 20 this chapter will not be repealed or amended in any manner that will
 21 adversely affect the collection of the tax imposed under this chapter or
 22 the money deposited in the ~~convention, tourism, and visitor~~ promotion
 23 **fund or the alternate revenue fund** as long as the principal of or
 24 interest on any bonds, or the lease rentals due under any lease, are
 25 unpaid.

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